



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Hyosung Heavy Industries Corporation (Hyosung) and Hyundai Electric & Energy Systems Co. (Hyundai) made sales of large power transformers from the Republic of Korea (Korea) at less than normal value during the period of review (POR) August 1, 2017 through July 31, 2018.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: John Drury (Hyosung) or Joshua DeMoss (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0195 or (202) 482-3362, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 17, 2019, Commerce published the *Preliminary Results*.<sup>1</sup> Commerce published the *Amended Preliminary Results* on November 27, 2019, stating that Commerce

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<sup>1</sup> See *Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2017–2018*, 84 FR 55559 (October 17, 2019) (*Preliminary Results*).

preliminarily determined that LSIS Co., Ltd (LSIS) had no shipments during the POR.<sup>2</sup> A summary of the events that occurred since Commerce published these *Preliminary Results*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>3</sup>

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Scope of the Order

The scope of this order covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080, and 8504.90.9540. For a complete description of the scope of the order, *see* the accompanying Issues and Decision Memorandum.

#### Final Determination of No Shipments

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<sup>2</sup> See *Large Power Transformers from the Republic of Korea: Correction to the Preliminary Results of Antidumping Duty Administrative Review; 2017–2018*, 84 FR 65350 (November 27, 2019) (*Amended Preliminary Results*).

<sup>3</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2017-2018,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

In the *Amended Preliminary Results*, Commerce determined that LSIS had no shipments of subject merchandise during the POR.<sup>4</sup> As no party commented on this issue and because we have not received any information to contradict our preliminary finding, we continue to find that LSIS did not have any shipments of subject merchandise during the POR and intend to issue appropriate instructions to U.S. Customs and Border Protection (CBP) based on the final results of this review.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. For a list of the issues raised by parties, *see* the appendix to this notice.

#### Changes Since the *Preliminary Results*

Commerce has made no changes to the *Preliminary Results* with respect to Hyundai. As stated in the *Preliminary Results*, we found that the application of total facts otherwise available, with adverse inferences, to Hyundai's weighted-average dumping margin, pursuant to sections 776(a) and (b) of the Tariff Act of 1930, as amended (the Act), was warranted.

Based on our review of the record and comments received from interested parties, we made certain changes to the margin calculations for Hyosung.<sup>5</sup> As a result of these changes, the weighted-average dumping margin also changes for the companies not selected for individual examination.

#### Final Results of the Review

The final weighted-average dumping margins are as follows:

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<sup>4</sup> See *Amended Preliminary Results*.

<sup>5</sup> See Issues and Decision Memorandum at Comment 5; *see also* Analysis of Data Submitted by Hyosung Corporation in the Final **Error! Main Document Only**.Results of the 2017-2018 Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea, dated April 14, 2020.

Producer or Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Heavy Industries Corporation	37.42
Hyundai Electric & Energy Systems Co., Ltd.	60.81
Iljin Electric Co., Ltd.	37.42
Iljin	37.42

### Disclosure

We will disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

### Assessment Rate

Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries.<sup>6</sup> For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), for each respondent we calculated importer (or customer)-specific *ad valorem* rates by aggregating the amount of dumping calculated for all U.S. sales to that importer or customer and dividing this amount by the total entered value of the sales to that importer (or customer). Where an importer (or

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<sup>6</sup> In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we will apply the assessment rate to the entered value of the importer's/customer's entries during the POR.

As explained in the previous administrative review of this proceeding,<sup>7</sup> above, we find that Hyosung has provided sufficient evidence, based on the totality of the circumstances under Commerce's successor-in-interest criteria, to demonstrate that Hyosung Heavy Industries Corporation is the successor-in-interest to Hyosung Corporation. Accordingly, after the publication of these final results, we intend to issue liquidation instructions covering entries made by Hyosung Heavy Industries Corporation and Hyosung Corporation during the POR at the rate established in these final results.<sup>8</sup>

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be equal to the weighted-average dumping margins established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3)

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<sup>7</sup> See *Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 16461 (April 19, 2019) (*LPTs 16-17 Final*), and accompanying Issues and Decision Memorandum (IDM) at Comment 22.

<sup>8</sup> See Issues and Decision Memorandum at Comment 7.

if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 22.00 percent, the all-others rate established in the less-than-fair-value investigation.<sup>9</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

As explained in the previous administrative review of this proceeding,<sup>10</sup> above, we find that Hyosung has provided sufficient evidence, based on the totality of the circumstances under Commerce's successor-in-interest criteria, to demonstrate that Hyosung Heavy Industries Corporation is the successor-in-interest to Hyosung Corporation. Accordingly, we intend to instruct CBP to continue collecting deposits from Hyosung Heavy Industries Corporation, and any entries of merchandise produced by Hyosung Corporation, at the rate assigned to Hyosung pursuant to these final results.<sup>11</sup>

#### Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties did occur and the subsequent assessment of doubled antidumping duties.

#### Administrative Protective Order

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<sup>9</sup> See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

<sup>10</sup> See *LPTs 16-17 Final IDM* at Comment 22.

<sup>11</sup> See *Issues and Decision Memorandum* at Comment 7.

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h) and 19 CFR 351.221(b)(5). Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until May 19, 2020, unless extended.<sup>12</sup>

Dated: April 14, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>12</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020).

## **Appendix**

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of Adverse Facts Available
- V. Discussion of the Issues

#### Hyundai-Specific Issues

Comment 1: Application of AFA

- A) Hyundai's Completeness Failure at Verification
- B) Hyundai's Reporting of Sales Documentation
- C) Hyundai's Understatement of its Home Market Gross Unit Prices
- D) Application of Total AFA

Comment 2: Selection of AFA Rate

Comment 3: Reliability of Hyundai's Cost Data

Comment 4: Moot Issue

#### Hyosung-Specific Issues

Comment 5: Ministerial Errors/Programming Changes

- A) Revenue Capping in the Home Market – Indirect Selling Expenses
- B) Installation Revenue
- C) Revenue Capping in the U.S. Market – Storage Revenue
- D) Other Expenses in the U.S. Market

Comment 6: Warranty Expenses

Comment 7: U.S. Customs and Border Protection (CBP) Instructions

#### General Issues

Comment 8: Rate for Non-selected Respondents

VI. Recommendation

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